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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-872]

Finished Carbon Steel Flanges from India: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (the Department) and the International Trade Commission (the ITC), the Department is issuing a countervailing duty order on finished carbon steel flanges from India.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Davina Friedmann at (202) 482-0698 or Erin Kearney at (202) 482-0167, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with section 705(d) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(c), on June 29, 2017, the Department published its affirmative final determination in the countervailing duty investigation of finished carbon steel flanges from India.¹ On August 14, 2017, the ITC notified the Department of its final affirmative determination, pursuant to section 705(d) of the Act, that an industry in the United States is materially injured within the

¹ See *Finished Carbon Steel Flanges from India: Final Affirmative Countervailing Duty Determination*, 82 FR 29479 (June 29, 2017) (*Final Determination*).

meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of finished carbon steel flanges from India.² On August 17, 2017, the ITC published its final determination in the *Federal Register*.³

Scope of the Order

The merchandise covered by this order is finished carbon steel flanges from India. For a complete description of the scope of this order, see Appendix of this notice.

Countervailing Duty Order

As stated above, on August 14, 2017, in accordance with section 705(d) of the Act, the ITC notified the Department of its final determination that an industry in the United States is materially injured by reason of subsidized imports of finished carbon steel flanges from India.⁴ Therefore, in accordance with section 705(c)(2) of the Act, we are issuing this countervailing duty order. Because the ITC determined that imports of finished carbon steel flanges from India are materially injuring a U.S. industry, unliquidated entries of such merchandise from India, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

As a result of the ITC's final determination, in accordance with section 706(a) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by the Department, countervailing duties on unliquidated entries of finished carbon steel flanges from India. Countervailing duties will be assessed on unliquidated entries of finished carbon steel flanges entered, or withdrawn from warehouse, for consumption on or after

² See ITC Letter dated August 14, 2017 (ITC Letter); see also *Finished Carbon Steel Flanges from India and Italy, Investigation No. 701-TA-563 and 731-TA-1331-1332 (Final)* USITC Publication 4714 (August 2017) (ITC Report).

³ See *Finished Carbon Steel Flanges from India and Italy; Determinations*, 82 FR 39133 (August 17, 2017).

⁴ See ITC Letter and ITC Report.

November 29, 2016, the date of publication of the *Preliminary Determination*,⁵ but will not include entries occurring after the expiration of the provisional measures period and before publication in the *Federal Register* of the ITC's final injury determination.

Section 703(d) of the Act states that the suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months. In the underlying investigation, the Department published the *Preliminary Determination* on November 29, 2016. Therefore, the four-month period beginning on the date of the publication of the *Preliminary Determination* ended on March 28, 2017. Furthermore, section 737(b) of the Act states that the collection of final cash deposits will begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 703(d) of the Act and our practice, we instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to duties, unliquidated entries of finished carbon steel flanges from India made on or after March 29, 2017. Suspension of liquidation will resume on the date of publication of the ITC's final determination in the *Federal Register*.

Suspension of Liquidation

In accordance with section 706 of the Act, the Department will instruct CBP to reinstitute the suspension of liquidation on all entries of subject merchandise from India, applicable the date of publication of the ITC's notice of final affirmative injury determination in the *Federal Register*, and to assess, upon further instruction by the Department pursuant to 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the

⁵ See *Finished Carbon Steel Flanges From India: Preliminary Affirmative Countervailing Duty Determination*, 81 FR 85928 (November 29, 2016) (*Preliminary Determination*).

net countervailable subsidy rates for the subject merchandise. We will also instruct CBP to require cash deposits for each entry of subject merchandise equal to the amounts as indicated below. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all producers or exporters not specifically listed, as appropriate.

Exporter/Manufacturer	Subsidy Rate (percent)
Norma (India) Limited ⁶	5.66
R.N. Gupta & Co., Ltd	9.11
All Others	7.39

Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to finished carbon steel flanges from India pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

⁶ As discussed in the *Final Determination*, the Department found the following companies to be cross-owned with Norma (India) Limited: Uma Shanker Khandelwal & Co., USK Exports Private Limited, and Bansidhar Chiranjilal.

This order is published in accordance with section and 706(a) of the Act and 19 CFR 351.211(b).

Dated: August 21, 2017.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

APPENDIX

Scope of the Order

The scope of this order covers finished carbon steel flanges. Finished carbon steel flanges differ from unfinished carbon steel flanges (also known as carbon steel flange forgings) in that they have undergone further processing after forging, including, but not limited to, beveling, bore threading, center or step boring, face machining, taper boring, machining ends or surfaces, drilling bolt holes, and/or de-burring or shot blasting. Any one of these post-forging processes suffices to render the forging into a finished carbon steel flange for purposes of this order. However, mere heat treatment of a carbon steel flange forging (without any other further processing after forging) does not render the forging into a finished carbon steel flange for purposes of this order.

While these finished carbon steel flanges are generally manufactured to specification ASME B16.5 or ASME B16.47 series A or series B, the scope is not limited to flanges produced under those specifications. All types of finished carbon steel flanges are included in the scope regardless of pipe size (which may or may not be expressed in inches of nominal pipe size), pressure class (usually, but not necessarily, expressed in pounds of pressure, *e.g.*, 150, 300, 400, 600, 900, 1500, 2500, *etc.*), type of face (*e.g.*, flat face, full face, raised face, *etc.*), configuration (*e.g.*, weld neck, slip on, socket weld, lap joint, threaded, *etc.*), wall thickness (usually, but not necessarily, expressed in inches), normalization, or whether or not heat treated. These carbon steel flanges either meet or exceed the requirements of the ASTM A105, ASTM A694, ASTM A181, ASTM A350 and ASTM A707 standards (or comparable foreign specifications). The scope includes any flanges produced to the above-referenced ASTM standards as currently stated or as may be amended. The term “carbon steel” under this scope is steel in which:

- (a) iron predominates, by weight, over each of the other contained elements:
- (b) the carbon content is 2 percent or less, by weight; and
- (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
 - (i) 0.87 percent of aluminum;
 - (ii) 0.0105 percent of boron;
 - (iii) 10.10 percent of chromium;
 - (iv) 1.55 percent of columbium;
 - (v) 3.10 percent of copper;
 - (vi) 0.38 percent of lead;
 - (vii) 3.04 percent of manganese;

- (viii) 2.05 percent of molybdenum;
- (ix) 20.15 percent of nickel;
- (x) 1.55 percent of niobium;
- (xi) 0.20 percent of nitrogen;
- (xii) 0.21 percent of phosphorus;
- (xiii) 3.10 percent of silicon;
- (xiv) 0.21 percent of sulfur;
- (xv) 1.05 percent of titanium;
- (xvi) 4.06 percent of tungsten;
- (xvii) 0.53 percent of vanadium; or
- (xviii) 0.015 percent of zirconium.

Finished carbon steel flanges are currently classified under subheadings 7307.91.5010 and 7307.91.5050 of the Harmonized Tariff Schedule of the United States (HTSUS). They may also be entered under HTSUS subheadings 7307.91.5030 and 7307.91.5070. The HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope is dispositive.

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